

Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: Monroe Community Mental Health Authority Six-Digit Muni Code: 587515

Defined Benefit Pension System Name: Defined Benefit Healthcare Plan

Contact Name (Administrative Officer): Jeff Koras

Title if not Administrative Officer: Finance Director

Email: jkoras@monroecmha.org Telephone: (734) 384-8397

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one defined benefit pension retirement system that has been determined to have an underfunded status. Underfunded status for a defined benefit pension system is defined as being less than 60% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annually required contribution (ARC) for all of the defined benefit pension retirement systems of the local unit of government is greater than 10% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board (the Board). The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The submitted plan must demonstrate through distinct supporting documentation how and when the local unit will reach the 60% funded ratio. Or, if the local unit is a city, village, township, or county, the submitted plan may demonstrate how and when the ARC for all of the defined benefit pension systems will be less than 10% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ARC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local unit must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

The completed plan must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System)

Pension Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If a corrective action plan is approved, the Board will monitor the corrective action plan for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan, a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

- (i) Closing the current defined benefit plan.
- (ii) Implementing a multiplier limit.
- (iii) Reducing or eliminating new accrued benefits.
- (iv) Implementing final average compensation standards.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTIONS OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- ☒ **System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: The system's multiplier for current employees was lowered from 2.5X to 2X for the **General Employees' Retirement System** on **January 1, 2017**. On page 8 of the attached actuarial supplemental valuation, it shows our funded ratio will be **60%** by fiscal year **2020**.

Closed Plan to New Hire on July 1, 2012. Also, went from an expected 8% return on investments to a 7% return in compliance with the standard rate of return in order to increase the contribution.

- ☐ **Additional Funding** - Additional funding may include the following: Voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: The local unit provided a lump sum payment of **\$1 million** to the **General Employees' Retirement System** on **January 1, 2017**. This lump sum payment was in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2025**. Please see page 10 of the attached enacted budget, which highlights this contribution of **\$1 million**.

- ☐ **Other Considerations** - Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: The information provided on the Form 5572 from the audit used actuarial data from **2015**. Attached is an updated actuarial valuation for **2017** that shows our funded ratio has improved to **62%** as indicated on page 13.

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the additional actions the local government is planning to implement to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

- ☐ **System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: Beginning with **summer 2018** contract negotiations, the local unit will seek to lower the system's multiplier for current employees from 2.5X to 2X for the **General Employees' Retirement System**. On page 8 of the attached actuarial supplemental valuation, it shows our funded ratio would be **60%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

- ☐ **Additional Funding** – Additional funding may include the following: voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will provide a lump sum payment of **\$1 million** to the **General Employees' Retirement System**. This lump sum payment will be in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2025**. Please see page 10 of the attached enacted budget, which highlights this contribution of **\$1 million**. Please see page 12 of the attached supplemental actuarial valuation showing the projected change to the system's funded ratio with this additional contribution.

- ☒ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the pension liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the retirement system to reach a funded status of **62% by 2022** as shown in the attached actuarial analysis on page 13.

Use current actuarial statements to fund pension liability to 60% by 2048. Our submission of form 5572 has shown an increase from 25% funded liability to a 30% funding rate. Actuarial report is attached.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) Monroe CMHA to make, at a minimum, the annual required contribution payment for the defined benefit pension system according to your long-term budget forecast?

☒ Yes

☐ No

If No, Explain

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this Corrective Action Plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention

☒ Attachment – 1

☒ Attachment – 1a

☒ Attachment – 2a

☐ Attachment – 3a

☐ Attachment – 4a

☐ Attachment – 5a

☐ Attachment –6a

Type of Document

This Corrective Action Plan Form (Required)

Documentation from the governing body approving this Corrective Action Plan (Required)

An actuarial projection, an actuarial valuation, or an internally developed analysis, which illustrates how and when the local unit will reach the 60% funded ratio. Or, if the local unit is a city, village, township, or county, ARC will be less than 10% of governmental fund revenues, as defined by the Act. (Required)

Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).

Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)

A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio

Other documentation not categorized above

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the four corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the Corrective Action Plan Development: Best Practices and Strategies document.

Corrective Action Plan Criteria

Description

- | | |
|--|---|
| <input checked="" type="checkbox"/> Underfunded Status | Is there a description and adequate supporting documentation of how and when the retirement system will reach the 60% funded ratio? Or, if your local unit is a city, village, township, or county, how and when the ARC of all pension systems will be less than 10 percent of governmental fund revenues? |
| <input checked="" type="checkbox"/> Reasonable Timeframe | Do the corrective actions address the underfunded status in a reasonable timeframe (<u>see CAP criteria issued by the Board</u>)? |
| <input checked="" type="checkbox"/> Legal and Feasible | Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible? |
| <input checked="" type="checkbox"/> Affordability | Do the corrective action(s) listed allow the local unit to make the annual required contribution payment for the pension system now and into the future without additional changes to this corrective action plan? |

8. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I Lisa Jennings, as the government's administrative officer (*enter title*) Executive Director (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

- ☒ The Monroe CMHA Retiree Health Account (**Insert Retirement Pension System Name**) will achieve a funded status of at least 60% by Fiscal Year 2048 as demonstrated by required supporting documentation listed in section 6.

OR, if the local unit is a city, village, township, or county:

- ☐ The ARC for all of the defined benefit pension retirement systems of _____ (**Insert local unit name**) will be less than 10% of the local unit of government's annual governmental fund revenues by Fiscal Year _____ as demonstrated by required supporting documentation listed in section 6.

Signature _____ Date _____

July 24, 2019

Jeff Koras
Director of Finance
Monroe County Community Mental Health Authority
1001 S. Raisinville Road
Monroe, MI 48161

Re: Minimum Corrective Action Plan under Public Act 202 of 2017

As requested by the Monroe County Community Mental Health Authority ("Employer"), we prepared this letter to illustrate a minimum Employer Contribution strategy to fund the Actuarial Accrued Liability ("AAL"). Strategies presented herein comply with the standards of Governmental Accounting Standards Board (GASB) No. 75 and the Michigan Public Act 202 of 2017. The calculations are based on all participant data, plan provisions, and actuarial assumptions and methods disclosed in the Actuarial Valuation of Other Post-Employment Benefits (OPEBs) dated September 30, 2017. Results were rolled-forward to September 30, 2018, and the Market Value of Assets in the OPEB Trust as of the same date was used.

Contribution Strategy

As the plan is closed to new hires, the minimum allowable ADC must be calculated as the sum of:

1. The current-year **normal cost** for active employees, and
2. A 30-year level-dollar **amortization of the Unfunded Actuarial Accrued Liability ("UAAL")**

Under such a funding strategy, the objective is to completely fund the AAL (for past service) in 30 years as well as continue to fund future service accruals in the year they are accrued. However, it is important for the Employer to understand the following implications of funding the AAL using such a strategy:

1. The Employer will continue to be responsible for funding the employer normal cost as long as there are active employees participating in the plan.
2. If future financial or demographic experience is less favorable than assumed, additional UAAL may emerge which would require additional Employer contributions.
3. Fully funding the current UAL does not guarantee that there will be no Employer contribution requirements in the future.

Another issue to consider is that the AAL and the Normal Cost are present values, and therefore, are a function of the assumed discount rate. Under GASB No. 75 as well as Public Act 202 of 2017, the discount rate has an upper bound equal to the annual rate of investment return, **7.00%**, and a lower bound equal to the 20-year tax-exempt general-obligation municipal bond index, **3.64%**¹.

Whether or not the discount rate is equal to, or a blend of, these two rates is dependent on the Employer's projected ability and willingness to maintain a funding and investment strategy that will sufficiently finance retiree benefits as they come due. The contribution strategy presented is projected to sufficiently finance all future retiree benefits through the OPEB Trust, assuming the Employer is able to make such contributions. The following section illustrates the funding progress under this strategy over the next 30 years using a discount rate equal to the long-term annual investment rate of return of 7.00%

¹ S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2018

Funding the AAL

With a 7.00% discount rate, the initial UAAL as of September 30, 2018, is \$10,188,262. This results in an initial ADC of **\$962,210**, including interest to fiscal year ending September 30, 2019. This contribution is comprised of:

1. A **\$821,036** level amortization payment over 30 years
2. A **\$141,174** normal cost payment that gradually decreases with the active employee population

Figure 1, below, reflects a 30-year projection of the ADCs under the above strategy.

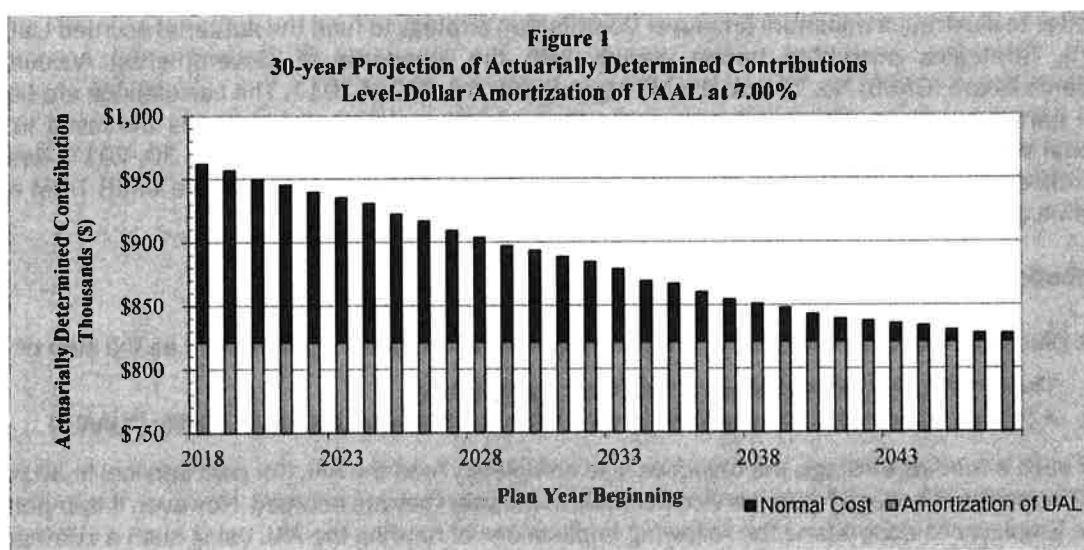
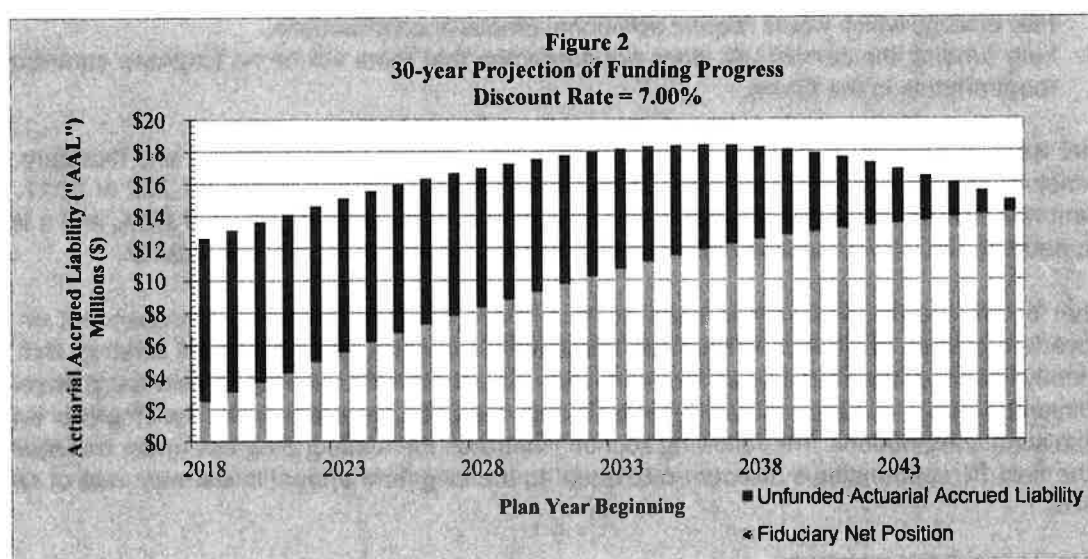


Figure 2, below, illustrates the projected funding progress under the scenario above.



Conclusion

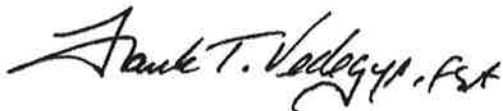
The Employer contributions are projected to decrease over time along with the active employee population participating in the Plan. The average contribution over the 30-year period is approximately \$885K.

As previously shown, the current AAL at a 7.00% discount rate is 20% funded. This contribution strategy is projected to result in an AAL that is **40% funded in 7 years (2025), 60% funded in 16 years (2034), and 100% funded in 30 years (2048).**

If you have any questions or concerns about the results of this analysis, do not hesitate to contact Alex Johnson or Frank Vedegys via the contact information below.

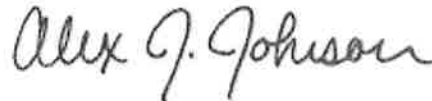
The undersigned actuary is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. Please see page 5 of this document for additional disclosures required by the Actuarial Standards of Practice.

Sincerely,



Frank T. Vedegys, FSA, EA, MAAA
Senior Consulting Actuary

E: fvedegys@cbiz.com
P: 216.525.1860



Alex J. Johnson
Actuarial Consultant

E: ajjohnson@cbiz.com
P: 216.525.4683

Additional Disclosures Required by Actuarial Standards of Practice No. 41

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the investment return, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determination of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

The calculation was based upon information furnished by the Employer, concerning Retirement benefits and member information. CBIZ Retirement Plan Services is not responsible for the accuracy or completeness of the information provided to us for these calculations.

The developed findings included in this report consider data or other information through July 2, 2019.

Please note this letter should be distributed to any interested parties only in its entirety.

The Joint Commission SAFER™ Matrix

Program: Behavioral Health

Likelihood to harm a Patient / Visitor / Staff			Scope	
ITL				Widespread
High				
Moderate	NPSG.03.06.01 EP 1			
Low	CTS.02.03.03 EP 1 CTS.03.01.03 EP 5 CTS.03.01.09 EP 3 HRM.01.01.01 EP 1 HRM.01.02.01 EP 7 HRM.01.06.01 EP 2 HRM.01.06.01 EP 4 HRM.01.07.01 EP 2 MM.03.01.01 EP 2 CTS.02.01.11 EP 1			
	Limited			



MONROE COMMUNITY MENTAL HEALTH AUTHORITY
REGULAR BOARD MEETING
November 20, 2019 – 5:00 p.m.
Draft Agenda

BOARD VALUES:

- 1.1 Monroe Community Mental Health Authority exists so that individuals with severe and persistent mental illness and intellectual/development disabilities can live, work, and play in their communities to their fullest potential.
- 1.2 Monroe Community Mental Health Authority strives to be the provider of choice for Monroe County by offering the highest quality of treatment with positive measurable outcomes, while maintaining competitive rates with the State.
- 1.3 Monroe Community Mental Health Authority establishes and sustains a culture that values each staff member; holds staff to high standards; is fair and respectful; and values creativity and promotes collaborative thinking.
- 1.4 Monroe Community Mental Health Authority continues to establish collaborative community relationships that enable MCMHA to provide quality service to consumers.

MISSION STATEMENT:

The mission of the Monroe Community Mental Health Authority is to provide quality mental health care in partnership with consumers and our community to enrich lives and promote wellness.

	<u>Guide</u>
I. Call to Order	1 min
II. Roll Call	2 min
III. Pledge of Allegiance	2 min
IV. Motion to Adopt the Agenda as Presented	2 min
V. Motion to Approve the Minutes of the September 24, 2019 Board Meeting and Waive the Reading Thereof	2 min
VI. Feedback Summary (handout)	5 min
VII. Citizen Comments <i>"The Board will listen respectfully to any comments you would like to make, but will not respond directly tonight. You can expect a follow up contact from the Executive Director or her representative within 24 hours if your comment is about a specific problem or complaint. Comments shall be limited to 3 minutes".</i>	3 min/person
VIII. Purpose of the Monroe Community Mental Health Authority <i>(Vision: That people are empowered and supported to reach their maximum potential)</i> <u>Rules of Conduct</u> <i>a. Speak only after being acknowledged by the Chair and only to the Chair.</i> <i>b. Keep deliberation focused on the issue and don't make it personal.</i> <i>c. Divulge all pertinent information on an issue before action is taken.</i> <i>d. Seek to understand before becoming understood.</i> <i>e. Seek to do no harm.</i> <u>Board Concerns</u> <i>a. Executive Director and Organization Evaluation</i> <i>b. Organizational Sustainability and Budget Funding</i> <i>c. Sustain Delivery of High Quality Service</i> <i>a. The Next Board Workshop date is to be determined.</i>	2 min
IX. Presentations Recognitions, and Celebrations <i>a. Strategic Plan for FY2020-2021 (handout)</i>	10 min

- | | | |
|---------------|---|---------------------|
| X. | Board Committee Reports | 2 min |
| a. | Motion to Place on File All Written Committee Reports <ul style="list-style-type: none"> i. Executive ii. Internal Operations iii. Membership Screening | |
| XI. | Items for Board Action | 10 min |
| a. | Motion to Approve the Consent Agenda Less Item _____ | |
| i. | Administrative Contracts as Presented | |
| b. | Motion to Approve the Defined Benefit Pension Retirement Systems Corrective Action Plan under the Authority of Public Act 202 of 2017 | |
| c. | Motion to Accept the Strategic Plan for FY2020-2021 | |
| d. | Motion to Accept the Annual Board of Directors Calendar for 2020 <i>(handout)</i> | |
| e. | Motion to Approve Randy Richardville to Fill the Current Board Term Ending March 31, 2021 as recommended by the Membership Screening Committee | |
| f. | Motion to Appoint Mike Humphries as an Ad-hoc Member to the Internal Operations Committee Until a Board Term Becomes Available as recommended by the Membership Screening Committee | |
| XII. | Relationship with the Region, County, and Others | 2 min |
| a. | Regional Reports | |
| i. | Regional PIHP Board Meeting Minutes – September and October Only | |
| b. | CMHAM Committee Reports | |
| i. | Executive | |
| ii. | Contract & Financial Issues | |
| XIII. | Items from the Executive Director | 10 min |
| a. | Financial Report | |
| b. | Executive Director's Report <i>(handout)</i> | |
| XIV. | New Business | 5 min |
| XV. | Motion to go into Closed Session for Purposes of Written Legal Opinion Pursuant to Section VIII (h) of the Open Meetings Act and Attorney Client Privilege | 2 min |
| XVI. | Citizen Comments | 3 min/person |
| XVII. | Announcements by Board Members | 1 min/person |
| XVIII. | Adjournment | 1 min |

The next scheduled Regular Meeting is 5:00pm, Wednesday, December 18, 2019 in the Monroe Community Mental Health Authority Aspen Room.

LJ/dp 3:18 p.m.



BOARD OF DIRECTORS REGULAR MEETING MINUTES
September 24, 2019

Present: Charles Londo, Chairperson; Sandy Libstorff, Secretary; Dave Stephens; Dawn Asper; Kandie Collier; Pam Ray; and Gloria Rafko

Excused: Rusty Shorter; Susan Fortney, Vice Chairperson; Jim Neumann; and John Burkardt

Unexcused:

Staff: Lisa Jennings

Guests: 20 guests were present

I. CALL TO ORDER

The Board Chairperson, Charles Londo, called the meeting to order at 5:00 p.m.

II. ROLL CALL

The Roll Call confirmed a quorum existed.

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Jim Brown.

IV. CONSIDERATION TO ADOPT THE DRAFT AGENDA AS PRESENTED

Pam Ray moved to adopt the draft amended agenda as presented. Kandie Collier supported. Motion carried unanimously.

V. CONSIDERATION TO APPROVE MINUTES

Gloria Rafko moved to approve the minutes of the August 28, 2019 Regular Meeting and waive the reading thereof. Dawn Asper supported. Motion carried unanimously.

VI. FEEDBACK SUMMARY

Charles Londo reviewed the August Board Feedback Summary.

VII. CITIZEN COMMENTS

There were no citizen comments.

VIII. PURPOSE OF THE MONROE COMMUNITY MENTAL HEALTH AUTHORITY

- a. Next scheduled Board Workshop is to be determined.

IX. PRESENTATIONS, RECOGNITIONS, AND CELEBRATIONS

- a. **FY2020 Proposed Budget** – Jeff Koras presented the MCMHA Budget that included the projection of sufficient revenues to cover projected expenditures for FY2020 and represents a balanced budget proposal. Projected Revenue and Expenses total \$34,897,190. Revenue for Medicaid, Healthy Michigan and Autism is \$31,294,417 which is an increase of \$2,322,630 or 8% over Fiscal Year 2019.
- b. **Organization Structure** – Lisa Jennings introduced Erin Dobbs, Operations Director, who presented the organization structure. Lisa commented that at the last Board Meeting there was robust discussion in regards to the number of administrative and supervisor positions. This was taken seriously and looked at with an in depth analysis. Erin presented the changes to the organization structure.

X. BOARD COMMITTEE REPORTS

- a. **Consideration to Place on File Written Committee Reports**
Pam Ray moved to place on file all written committee reports. Dawn Asper supported. Motion carried unanimously.

Written Minutes placed on file were: Finance & Facilities – September 18, 2019.
- b. **Consideration to Appoint Jim Neumann as the Bylaws & Policy Committee Chair**
Dave Stephens moved to appoint Jim Neumann as the Bylaws & Policy Committee Chair. Kandie Collier supported. Motion carried unanimously.
- c. **Consideration to Appoint Dave Stephens as the Internal Operations Committee Chair**
Dawn Asper moved to appoint Dave Stephens as the Internal Operations Committee Chair. Gloria Rafko supported. Motion carried unanimously.

XI. ITEMS FOR BOARD ACTION

- a. **Motion to Approve Reinstating Board Stipends Beginning October 1, 2019**
Sandy Libstorff moved to approve reinstating Board Stipends beginning October 1, 2019. Dave Stephens supported. Discussion followed. In favor: Dave Stephens, Dawn Asper, Kandie Collier, Charles Londo, Pam Ray, Gloria Rafko, and Sandy Libstorff; opposed: none; motion carried unanimously.
- b. **Motion to Approve up to Three Board Members to Attend the CMHAM Fall Conference in Traverse City, MI from October 21, 2019 to October 22, 2019**
Pam Ray moved to approve up to three Board Members to attend the CMHAM Fall Conference in Traverse City, MI from October 21, 2019 to October 22, 2019. Sandy Libstorff supported. In favor: Dave Stephens, Dawn Asper, Kandie Collier, Charles Londo, Pam Ray, Gloria Rafko, and Sandy Libstorff; opposed: none; motion carried unanimously.
- c. **Motion to Approve up to Three Board Members to Attend NATCON20 in Austin, TX from April 5, 2020 through April 7, 2020**
Sandy Libstorff moved to approve up to three Board Members to attend NATCON20 in Austin, TX from April 5, 2020 through April 7, 2020. Pam Ray supported. Discussion followed. In favor: Dave Stephens, Dawn Asper, Kandie Collier, Charles Londo, Pam Ray, Gloria Rafko, and Sandy Libstorff; opposed: none; motion carried unanimously.
- d. **Motion to Approve the FY2020 Proposed Budget**
Dave Stephens moved to approve the FY2020 proposed Budget. Pam Ray supported. In favor: Dave Stephens, Dawn Asper, Kandie Collier, Charles Londo, Pam Ray, Gloria Rafko, and Sandy Libstorff; opposed: none; motion carried unanimously.

XII. RELATIONSHIP WITH THE REGION, COUNTY, AND OTHERS

- a. **Regional Reports**

- i. Regional PIHP Board Meeting – minutes were available in packet.
- ii. CMHAM Committee Reports – no report for September.

XIII. ITEMS FROM THE EXECUTIVE DIRECTOR

- a. Financial Report – Jeff Koras was available for questions regarding the Financial Report.
- b. Executive Director's Report – Lisa Jennings commented on the: Provider payments; FY20-21 Strategic Plan; FY20 Rates; Regional Litigation; Washtenaw Board of Commissioners; Regional Executive Director Interviews; and Chief Financial Officer resignation from the PIHP.

XIV. NEW BUSINESS

XV. CONSIDERATION TO GO INTO CLOSED SESSION FOR PURPOSES OF WRITTEN LEGAL OPINION PURSUANT TO SECTION VIII (h) OF THE OPEN MEETINGS ACT AND ATTORNEY CLIENT PRIVILEGE

Dawn Asper move to go into Closed Session for purposes of written legal opinion pursuant Section VIII (h) of the Open Meetings Act and Attorney Client Privilege. Dave Stephens supported. In favor: Dave Stephens, Dawn Asper, Kandie Collier, Charles Londo, Pam Ray, Gloria Rafko, and Sandy Libstorff; opposed: none; motion carried unanimously.

The Board went into Closed Session at 5:51pm.

The Board went into Open Session at 6:09pm.

MOTION TO APPROVE A SEVERANCE PACKAGE FOR DEPARTMENT HEAD SUSAN J REVELS IN THE AMOUNT OF ONE WEEK'S SALARY FOR EACH YEAR OF SERVICE AND PAYMENT OF HEALTH INSURANCE UNDER COBRA THROUGH MARCH 31, 2020 OR UNTIL SHE BECOMES ELIGIBLE FOR HEALTH INSURANCE COVERAGE THROUGH ANOTHER EMPLOYER, WHICHEVER OCCURS EARLIER

Pam Ray moved to approve a severance package for Department Head Susan J. Revels in the amount of one week's salary for each year of service and payment of health insurance under Cobra through March 31, 2020 or until she becomes eligible for health insurance coverage through another employer, whichever occurs earlier. Dave Stephens supported. In favor: Dave Stephens, Dawn Asper, Charles Londo, Pam Ray, Gloria Rafko, and Sandy Libstorff; opposed: Kandie Collier; motion carried.

XV. CITIZEN COMMENTS

Alicia Riggs, AFSCME President, commented on the balanced budget and the necessary decisions that needed to be addressed which are now forced hard decisions the agency is having to make.

XVI. ANNOUNCEMENTS BY BOARD MEMBERS

XVII. ADJOURNMENT

Pam Ray moved to adjourn at 6:13pm. Sandy Libstorff supported. Motion carried unanimously.

Submitted by,

Sandy Libstorff
Secretary



BOARD EXECUTIVE COMMITTEE
Tuesday, November 12, 2019
4:00pm

MAJOR COMMITTEE RESPONSIBILITIES

1. Form agenda for monthly meetings.
2. Monitor long term effectiveness of the Board and Board Committees.

COMMITTEE MEMBERS

Susan Fortney Charles Londo, Chair
Sandy Libstorff

DRAFT MINUTES

I. CALL TO ORDER

The meeting was called to order at 4:00pm by Charles Londo. Charles Londo, Susan Fortney, Sandy Libstorff, and Lisa Jennings were present. Dave Stephens attended as a guest.

II. REVIEW OF THIS MONTH'S BOARD MEETING

- a. Board Agenda – Reviewed
- b. Committee Reports – Reviewed
- c. Presentation – FY2020-2021 Strategic Plan

III. ITEMS FOR DISCUSSION

- a. Executive Director Update – Lisa Jennings commented on the Regional Litigation and that the Attorney filed an appeal in Circuit Court and not in the Court of Claims. There is no further information at this time.
- b. NATCON20 – There are four Board Members interested in attending NATCON. Cards will be drawn at the next regular Board Meeting to confirm three attendees.

IV. ACTION ITEMS FOR FUTURE BOARD MEETING AGENDA

- a. December – Spring Conference

V. AJOURNMENT

The meeting adjourned at 4:40pm.

VI. NEXT MEETING

The Next Meeting of the Executive Committee is scheduled for Tuesday, December 10, 2019 at 4:00pm.

Respectfully submitted,

A handwritten signature in blue ink that reads "Charles Londo" followed by a small circular stamp.

Charles Londo
Board Chair

11/13/2019

Board Action Request:

ACTION REQUESTED — Approve the Defined Benefit Pension Retirement Systems Corrective Action Plan.

Background:

The Michigan Department of Treasury determined that the Monroe CMHA Retiree Health Benefit (OPEB) is underfunded and is required to file a corrective action plan per Sec. 10(1) of PA 202 of 2017. The corrective action plan to be submitted meets the requirements in that:

- A. Steps were taken to reduce the liability by implementing a system design change by closing the plan to new hires by or on July 1, 2012 and by funding the plan according to the actuarial determinations since and going forward.
- B. A minimum Employer Contribution strategy was prepared to illustrate the necessary funding necessary to fund the Actuarial Accrued Liability (AAL). The plan demonstrates that the AAL will be 40% funded in 7 years (2025), 60% funded in 16 years (2034), and 100% funded in 30 years (2048).

RECOMMENDATION:

Consideration to approve the Corrective Action Plan for the Defined Benefit Pension Retirement Systems under the authority of Public Act 202 of 2017 as reviewed by the MCMHA Board Internal Operations Committee on October 16, 2019.

